

AGREEMENT

This agreement is made and entered into this 1st day of November, 1983, between CONTINENTAL GOLD, INC. ("Continental"), LESTER VERNON HUCKALEY and LINDA HUCKALEY ("Huckaley"), and BILLIE R. MARRIOTT ("Marriott"),

RECITALS

1. Lester Vernon Huckaley filed Application 46790 with the Nevada State Engineer designating Huckaley Tunnel as a source.
2. Continental lodged a protest with the Nevada State Engineer against the granting of Application 46790.
3. Continental filed Applications 46969 - 46980, inclusive, and Applications 47191 and 47192 with the Nevada State Engineer.
4. Huckaley lodged protests with the Nevada State Engineer against Applications 46969 - 46980, inclusive. Huckaley has not lodged protests against Applications 47191 and 47192.
5. Marriott lodged a protest with the Nevada State Engineer against Application 46790.
6. The Nevada State Engineer, by and through members of his staff, conducted a field investigation on October 27, 1983. At the field investigation, the applicants, protestants, or their duly authorized representatives entered into an oral agreement. It is the intention of the parties hereto that this agreement shall represent their oral agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, the receipt of which is hereby acknowledged, the parties do agree as follows:

1. That by the execution of this agreement, the parties hereto do withdraw their respective protests.
2. That the Nevada State Engineer, in accordance with his customary procedure and process, may grant Applications 46969 - 46980, inclusive, which applications are owned by Continental with the express permit language stating that Continental shall not drill wells as a means of diversion. Applications 47191 and 47192 shall be processed by the Nevada State Engineer in his customary fashion.

STATE ENGINEERS OF N.J.

DEC-8 AMO:40

Huckaley agrees not to lodge protests against such applications.

3. The Nevada State Engineer may grant Application 46790, with the express permit language stating that Huckaley cannot withdraw water below the surface level of the tunnel constituting the point of diversion (7,360 feet above MSL). (Panel Level)

4. This agreement shall be binding upon the heirs, successors, and assigns of the parties.

Lester Vernon Huckaley
LESTER VERNON HUCKALEY

Linda Huckaley
LINDA HUCKALEY

CONTINENTAL GOLD, INC.

By Henry T. Eyrich
HENRY T. EYRICH
Its President

Billie R. Marriott
BILLIE R. MARRIOTT
By STEVE KOSANKE, AGENT

STATE OF NEVADA,
COUNTY OF White Pine ss.

On this 6th day of November, 1983, personally appeared before me, a Notary Public, LESTER VERNON HUCKALEY and LINDA HUCKALEY, who acknowledged that they executed the foregoing instrument.

MAURICE B. HALL
My commission expires August 06, 1987
Notary Public
Appointment Recorded in Vol. of 1983

STATE OF NEVADA,
COUNTY OF White Pine ss.

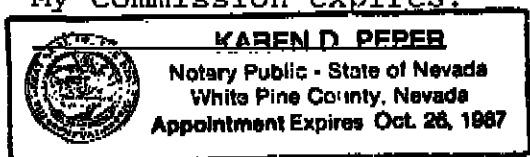
On this 17th day of December, 1983, personally appeared before me, a Notary Public, HENRY T. EYRICH, known to be the President of CONTINENTAL GOLD, INC. who acknowledged to me that he executed the foregoing instrument for and on behalf of said corporation.

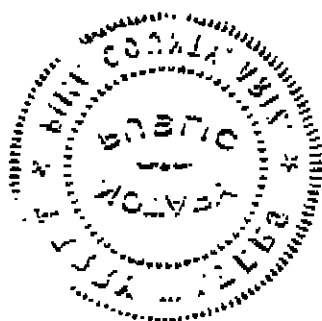
My commission expires:
AUGUST 06, 1987

STATE OF NEVADA,
COUNTY OF White Pine ss.

On this 17th day of November, 1983, personally appeared before me, a Notary Public, STEVE KOSANKE, who acknowledged that he executed the foregoing instrument as Agent for Billie R. Marriott.

My commission expires:





STATE ENGINEER, MASS.

83 DEC-3 PM 1:40

AMENDED

Nº 46790

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office. APR 5 1983

Returned to applicant for correction. APR 18 1983

Corrected application filed. JUN 15 1983

Map filed. JUN 15 1983

The applicant Lester Vernon Huckaley

Baker Stage, Spring Valley, of Ely

Nevada 89301 State and Zip Code No., hereby make s application for permission to appropriate the public

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

1. The source of the proposed appropriation is Huckaley Tunnel
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 1 cfs second-foot
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet

3. The water to be used for Mining, Milling and Domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated:

(b) Stockwater, state number and kinds of animals to be watered:

(c) Other use (describe fully under "No. 12. Remarks")

(d) Power:

(1) Horsepower developed

(2) Point of return of water to stream

5. The water is to be diverted from its source at the following point: in the NE¼ NE¼ of Section 7,
Describe as being within a 40-acre subdivision of public
T.14 N., R.68 E., M.D.B. & M., whence the South ¼ Corner of said Section 7 bears
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
S.27°03'28"W., 4540.70 feet distant.

6. Place of use Portions of the NE¼ of Section 7, W¼ NW¼ of Section 8, T.14 N.,
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
R.68 E., M.D.B. & M.

7. Use will begin about January 1st and end about December 31st, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) The tunnel will be cleaned out and plastic
State manner in which water is to be diverted, i.e. diversion structure, ditches and
pipe installed to divert the water to the place of use.
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$10,000.00

10. Estimated time required to construct works 1 year
If well completed, describe works.
11. Estimated time required to complete the application of water to beneficial use 2 years
12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
The applicants mining operation will require 250 gpm - 8 hours
per day - 365 days per year with a peak demand of 1 cfs.

By s/Richard W. Forman
Richard W. Forman, Agent
P.O. Box 150
Ely, Nevada 89301

Compared js/tls pr/bc

Protested Pro. 8/9/83 by Continental Gold, Inc.; 8/19/83 by Billy R. Marriot;
 Protests withdrawn: See agreement _____ of November 1, 1983

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to all existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. A measuring device must be installed and measurements of water use kept. The State retains the right to regulate the use of the water granted herein at any and all times.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal, and local agencies.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

This permit is issued subject to the agreement between Continental Gold, Inc.; Lester Vernon Huckaley and Linda Huckaley; and Billie R. Marriott dated November 1, 1983 attached hereto and made part hereof.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 43.8 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before October 15, 1985

Proof of completion of work shall be filed before November 15, 1985

Application of water to beneficial use shall be made on or before October 15, 1987

Proof of the application of water to beneficial use shall be filed on or before November 15, 1987

Map in support of proof of beneficial use shall be filed on or before _____

Completion of work filed OCT 10 1985 IN TESTIMONY WHEREOF, I PETER G. MORROS

Proof of beneficial use filed DEC 02 1988 State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th day of October

Cultural map filed _____

Certificate No. 13034 Issued SEP 24 1991 A.D. 19 84